

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration 500 West Temple Street, Room 713, Los Angeles, California 90012 (213) 974-1101 http://ceo.lacounty.gov

ADOPTED

BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

21

August 4, 2009

SACHI A. HAMAI EXECUTIVE OFFICER GLORIA MOLINA First District

MARK RIDLEY-THOMAS Second District

ZEV YAROSLAVSKY Third District

Board of Supervisors

DON KNABE Fourth District

MICHAEL D. ANTONOVICH Fifth District

County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, CA 90012

The Honorable Board of Supervisors

Dear Supervisors:

August 4, 2009

APPROVE AN ORDINANCE TO REPEAL THE PROPRIETARY PETROLEUM PIPELINE FRANCHISE GRANTED TO GETTY SYNTHETIC FUELS, INC. (FIFTH DISTRICT) (3-VOTES)

SUBJECT

This is a recommendation to adopt an ordinance to repeal the proprietary petroleum pipeline franchise to Getty Synthetic Fuels, Inc., which is now merged with, and into GSF Energy, LLC.

IT IS RECOMMENDED THAT YOUR BOARD:

- Approve an ordinance to repeal the proprietary petroleum pipeline franchise granted by Ordinance No. 85-0132F, to Getty Synthetic Fuels, Inc. (Getty), now merged with and into GSF Energy, LLC (GSF).
- 2. Introduce, waive reading, and place on your Board's agenda for adoption the accompanying ordinance that implements the above recommendation, becoming effective 30 days after adoption.
- 3. Find that this project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

The Honorable Board of Supervisors August 4, 2009 Page 2

PURPOSE / JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to repeal the petroleum pipeline franchise granted to Getty that is no longer needed.

Implementation of Strategic Plan Goals

The County Strategic Plan directs a quality and efficient public service that is beneficial and responsive (Goal 1). The Board's approval and adoption of an ordinance to repeal the GSF franchise is consistent with this goal.

FISCAL IMPACT / FINANCING

GSF has paid the County a one-time fee of \$2,500 to process an ordinance to repeal the franchise. Since GSF no longer maintains any pipelines in County highways, the franchise will no longer generate an annual franchise fee to the County.

FACTS AND PROVISIONS / LEGAL REQUIREMENTS

In August 1985, your Board adopted Ordinance No. 85-0132F, granting a 25-year proprietary petroleum and gas pipeline franchise to Getty. In October 1985, Getty changed its name to GSF Energy, Inc., and as a result of a merger in October 1996, all the assets of GSF Energy, Inc. were merged with and into GSF Energy, LLC.

GSF's Mountaingate Pipeline, the only active pipeline remaining under the franchise, was sold in February 2003 when SCS Renewable Energy-Mountaingate, LLC (SCS) acquired GSF's gas recovery plant and pipeline facilities at the Mountaingate Landfill.

This transfer was previously approved in April 2008 when your Board adopted franchise Ordinance No. 2008-0015F, which granted SCS the right to maintain a pipeline in a County highway (56 feet in Sepulveda Blvd.), in order to transport treated landfill gas from the landfill to the University of California Los Angeles (UCLA), where the gas is used to power a cogeneration plant that provides electricity at the UCLA campus.

GSF's Newhall Refinery Pipeline, the only idle pipeline remaining under the franchise, was acquired by Getty from Mobil Oil Corporation in 1981 (6-Inch Line M-108), and reported to the County under a previous Getty franchise (Ord. No. 8458). This pipeline was used to transport treated landfill gas from Getty's landfill recovery plant at the Sunshine Canyon Landfill to the Newhall Refinery until the refinery closed in 1985.

The Honorable Board of Supervisors August 4, 2009 Page 3

The only segment of the Newhall Refinery Pipeline still remaining in a County highway (711 feet in Sierra Highway) has now been purged, filled with a concrete slurry mix, capped with welded flanges, and abandoned in place under an excavation permit that was approved by the County in 2008. The operations to abandon this pipeline segment have been documented in a detailed report provided to the Department of Public Works.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are categorically exempt from CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 or the State CEQA Guidelines.

IMPACTS ON CURRENT SERVICES (OR PROJECTS)

The recommended Board actions will not impact or adversely affect any current services or future projects. The Department of Public Works has approved GSF's pipeline abandonment and has no objections to the repeal of the Getty franchise. County Counsel has reviewed the accompanying ordinance to repeal the Getty franchise and approved it as to form.

CONCLUSION

Instruct the Executive Officer, Board of Supervisors, to send a conformed copy of this letter and the adopted ordinance to the Attention: Mr. Daniel L. Bonk, Vice President, LFG Management Services, LLC, Managing Member of GSF Energy, LLC, 680 Anderson Drive, Foster Plaza 10, 5th Floor, Pittsburgh, Pennsylvania, and to the offices of County Counsel, Department of Public Works, and Chief Executive Office, Real Estate Division.

Respectfully submitted,

WILLIAM T FUJIOKA Chief Executive Officer

WTF:DL:WLD CM:RB:kb

c: County Counsel
Department of Public Works
Fire Department

Attachment

GSF Brd.doc